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SEP 16 1954

MEMORANDUM FOR: Deputy Director/Administration

: Chief, Management Staff ATTENTION

Deputy Director/Intelligence

SUBJECT : Reallocation of the Consumer Industries Research Responsibility

Executive Registry MS - 269

1. PROBLEM

THROUGH

To provide the most effective location within ORR for responsibility of research on Soviet Bloc consumer industries sector and to provide a Table of Organization unit capable of executing this responsibility.

2. FACTS BEARING ON THE PROBLEM

- a. The Consumer Industries Branch has been located in the Materials Division of ORR.
- b. The Industrial Division has, as one of its missions and functions, research responsibility for a variety of consumer hard goods, including radios, television sets, and automobiles.
- c. The Agriculture Branch, Materials Division, has the responsibility for research on the production and consumption of all food commodities, both processed and unprocessed.
- d. The Construction, Population and Manpower, and Communication Branches of the Services Division have the responsibility for research on consumer services.
- e. The area branches of the Analysis Division have the responsibility for aggregating total consumption as a component of GNP.
- f. The Consumer Industries Branch has in the main been responsible for research on textiles, synthetic fibers, clothing, and footwear. These items are actually a part of the light industries of the Soviet Union.

3. DISCUSSION

a. On or about 17 September 1953 the Consumer Industries Branch, Strategic Division, was reassigned and reorganized as a part of the Materials Division. It was felt at that time that research on textiles, synthetic fibers, clothing, and footwear should logically be performed as a part of the research

activity of the division which is responsible for research into the extractive industries. Certain problems pertaining principally to definition of responsibilities and efficiency of operation have required a re-examination of the organization and responsibilities of the Industrial Division and Materials Division. It now appears that proper location for this branch should be in the division which is responsible for research into the manufacturing industries. (See revised missions and functions of the Consumer Industries Branch, Industrial Division and Services Division, Tab A.)

b. An increase in T/O of the Consumer Industries Branch from 7 analysts and 1 clerical to 10 analysts and 2 clerical is a result of (1) consolidation of responsibilities stated under 2.f. with those for research on domestic trade and consumer welfare (formerly assigned to Services Division), and for subaggregative research on production and consumption of consumer goods, drawing upon other components of the Industrial, Materials, and Services Divisions; and (2) the constantly increasing emphasis placed on consumer goods by the Soviet Union. Proposed changes will result in no overall ORR ceiling increase and will be absorbed within the current budgetary allocations of the Office. Draft job descriptions outlining the responsibilities of each grade level for Intelligence Officers (Economics) have been prepared and submitted to Classification and Wage Division for review. The increase in position grades allocated to the Consumer Industries Branch is for the purpose of providing the research competency at the journeymen level (GS-11, GS-12, and GS-13) which is necessary in order to effectively accomplish the mission of the branch. (See Tab B)

4. ACTION RECOMMENDED

It is requested that the Management Improvement Staff and the Classification and Wage Division recommend the approval of the establishment of a Consumer Industries Branch in the Industrial Division, the deletion of the Consumer Industries Branch from the Materials Division, and the establishment of a Table of Organization of the new Consumer Industries Branch commensurate with the mission and functions to be performed.

OTTO E. GUTHE Assistant Director Research and Reports

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CONCUR:

CONSTALIT TO CD/I (Admin)

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